

DEPARTMENT OF FINANCE BILL ANALYSIS

AMENDMENT DATE: May 23, 2011
POSITION: Oppose

BILL NUMBER: SB 695
AUTHOR: L. Hancock
RELATED BILLS: SB 1091 (Hancock)

BILL SUMMARY: Medi-Cal: County Juvenile Detention Facilities

This bill would, to the extent that federal financial participation is available, make individuals awaiting adjudication in a county juvenile detention facility eligible for Medi-Cal benefits if the individual is already a Medi-Cal recipient, determined eligible by the county welfare department. The benefits would continue until the date of adjudication. This provision would not be implemented until all necessary federal approvals or waivers are obtained and federal funding is available.

FISCAL SUMMARY

The provisions within this bill would not become operative unless federal financial participation is available. In addition, counties would have to agree to pay the state's share of Medi-Cal expenditures and the state's administrative costs, so there would likely be no General Fund impact. However, in the event that the federal government disallows any costs from ineligible expenditures, the state may be required to pay back any federal funds initially received. The General Fund may be at risk if the state was unable to recover the funds from the counties.

The Department of Health Care Services (DHCS) indicates that it would need 1.0 position (SSA/AGPA) at a cost of approximately \$100,000 a year to seek federal approvals and operate the program.

COMMENTS

The Department of Finance opposes this bill for the following reasons:

- The federal government has indicated that these costs would not be eligible for federal funding.
- The state only receives federal participation for medical services provided to adults inmates in correctional facilities if those services are provided in an inpatient setting and provided off the grounds of the facility. This bill does not require that the medical services be provided off the grounds of the facility.
- To the extent that the federal government disallows any costs related to this population (such as through an audit), the state would be required to reimburse the federal government. The General Fund may be at risk if the state was unable to recover the funds from the counties.

Specifically, this bill would do the following:

- Provide Medi-Cal benefits to individuals awaiting adjudication in a county juvenile detention facility if the individual is eligible to receive Medi-Cal benefits.
- Require counties to pay the state's share of Medi-Cal expenditures and the state's administrative costs for providing services to this population.
- Prohibit this bill from being construed to require a county to pay the state's share of Medi-Cal expenditures or the state's administrative costs for Medi-Cal benefits that the state is obligated to provide.

Analyst/Principal (0544) J. Wunderlich	Date	Program Budget Manager Lisa Ann L. Mangat	Date
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Department Deputy Director	Date
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Governor's Office:	By:	Date:	Position Approved _____
			Position Disapproved _____

BILL ANALYSIS	Form DF-43 (Rev 03/95 Buff)
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AUTHOR

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- Permits DHCS to implement and administer this bill by means of all-county letters or similar instructions without taking regulatory action.
- Implements this bill only if, the federal government confirms federal funds are available for this population and providing Medi-Cal services to this population would not put federal funds at risk.

According to the federal government a child retains eligibility when arrested and placed in juvenile hall while awaiting adjudication, but because he is involuntarily in detention, federal funding is not available. Once adjudication occurs, federal funding may be available, depending on the outcome.

Section 1905(a) of the Social Security Act (the Act) authorizes State Medicaid agencies to provide medical services to eligible Medicaid beneficiaries. However, subparagraph (A) of section 1905(a) of the Act specifically excludes federal funding for care or services provided to inmates of a public institution, except when inmates are patients in a medical institution.

The federal government considers Juvenile inmates awaiting criminal proceedings, penal dispositions, or other involuntary detainment determinations to be “inmates of public institutions,” and non-inpatient medical services provided to them are therefore ineligible for federal funding pursuant to section 1905(a)(A) of the Act.

This bill is similar to SB 1091 (Hancock) of 2010, which was vetoed by Governor Schwarzenegger. SB 1091, to the extent that federal financial participation was available, would have made individuals awaiting adjudication in a county juvenile detention facility eligible for Medi-Cal benefits if the individual was already a Medi-Cal recipient. Finance opposed SB 1091 because the federal government indicated that these costs would not be eligible for federal funding and there would be potential pressure on the General Fund if the state had to repay the federal match and we are unable to recover funds from counties.

		SO	(Fiscal Impact by Fiscal Year)						
Code/Department	LA	(Dollars in Thousands)							
Agency or Revenue	CO	PROP							Fund
Type	RV	98	FC	2010-2011	FC	2011-2012	FC	2012-2013	Code
4260/Hlth Care	SO	No	-----	See Fiscal Summary	-----				0995
4260/Hlth Care	SO	No	-----	See Fiscal Summary	-----				0890
4260/Hlth Care	SO	No	-----	See Fiscal Summary	-----				0001
<u>Fund Code</u>	<u>Title</u>								
0001	General Fund								
0890	Trust Fund, Federal								
0995	Reimbursements								